

June 1, 2006

SUBJECT: COBI/WSF Joint Planning Meeting #4

PRESENT:

City of Bainbridge Island

Mayor Darlene Kordonowy
Chris Snow, Council Member
Nezam Tooloee, Council Member
Debbie Vancil, Council Member

Washington State Ferries

Mike Anderson, Executive Director
Paul Brodeur, Director of Vessel Maintenance
Russ East, Director of Terminal Engineering
Lisa Parriott, Project Manager, Eagle Harbor Maintenance Facility
Celia Schorr, Acting Corporate Communications Director

Facilitators

Marcia Wagoner, PRR, Facilitator
Kelly Riutta, WSF, Scribe

MEETING MINUTES:

UPDATES SINCE LAST MEETING

- Mayor Kordonowy
 - City Council held one executive session and the subcommittee gave a general briefing to City Council on these meetings on Wednesday, May 24th and made a three-minute mention about the meetings during the public session.
 - COBI sent letter to DOE on 4/27/06 requesting a 30-day extension. DOE was due to respond on May 27, 2006, but COBI has not heard from them.
 - Mr. Anderson suspects they would prefer to wait for outcome of COBI-WSF talks.
- Mike Anderson
 - Besides some brief, internal meetings on the subject, most of WSF's work has been in setting up this meeting.
 - Mr. Anderson reminds the group that it was agreed at the last meeting to hold two more of these meetings (the current meeting plus one more). The group confirms this is accurate.

MASTER PLAN UPDATE

Lisa Parriott describes the Master Plan process for the Eagle Harbor Maintenance Facility.

- Master planning began in Fall 2004, after the decision was made to stay at Eagle Harbor.
- Four sets of drawings are laid on the table to show the various concepts for the site throughout the planning process and how WSF arrived at the current preferred alternative.
 - Major elements on drawings include the maintenance building, the lay down area, the storage room, parking, exterior storage.
 - Lay down area = transit/dynamic storage for life saving equipment and prep area.

- Store room = “just in time” purposes
- Reconfirmed criteria and set priorities:
 - Paul Brodeur/Vessel Maintenance as customer in need of facility that can deliver projects over the next 30 years.
 - Consideration of Bainbridge Island Ferry Terminal Improvement Project (BIFTIP) so as not to preclude opportunities there.
 - MOA resolution
 - MOA area determined by Tami Allen to need deep water moorage in order to have a functioning facility.
- Criteria
 - Consistent with WSF strategic goals
 - Construction compatible with maintenance and operations
 - Impacts to maintenance operations must be minimized
 - Provide flexibility for future maintenance facility operations
 - Provide vessel access to all piers
 - Buildings close to vessel slips
 - Prefer single-story buildings for efficiency
 - Minimize environmental impacts
 - Building design is sensitive to Bainbridge Island “gateway” and surroundings
 - Ensure truck turning radius
 - Provide emergency fire access around buildings
 - Provide site security including separation from public MOA area
- Wish list
 - Single-story buildings
 - Parking at-grade
 - 90Ksf lay down area (at minimum, match 15K sf existing area)
 - All cannot be accomplished at this site

CONCEPTS

- Initial concepts (September 2004)
 - WSF did not own Winslow Marine property at this time, so property was not considered
 - Concepts looked at three options:
 1. Remodel
 2. Tear down and rebuild at same location
 3. Tear down and rebuild to the side of existing location
 - Most of the MOA area of study is consumed by vehicle travel ways.
 - Ms. Parriott confirms for Mr. Tooloe that the three concepts are all variations on a theme, as each iteration is.

- 2nd Iteration (December 2004)
 - WSF now assumes Winslow Marine property in concepts
 - Communication of concepts with COBI and the Harbor Commission occurring at this time.
 - Three concepts:
 1. New 2-story store room recessed into the hillside
 - This is found to be expensive, in part due to buried sewer and water lines underneath
 2. New 2-story store room and stacked parking (Winslow Marine property not assumed)
 - Parking is stacked to meet 140 spaces, though design for number of stories needed is not determined at this stage.
 - Lay down area is maintained by stacking parking, but creates a tunnel along waterfront trail.
 3. New 2-story storeroom and parking structure on Winslow Marine property
 - Creates optimal lay down area but the garage is unfunded and Winslow Marine property not acquired at this point.
- 3rd Iteration (January 2005)
 - Two concepts
 1. MOA on eastside with single-story maintenance building
 2. MOA on eastside with 2-story maintenance building
 - MOA given more of a workable area and less space dedicated to travel ways.
 - MOA area is unworkable in both concepts
 - Eastside MOA creates too much vessel conflict for all parties.
 - Problem maintaining shared dock and risk to WSF of dock damage by private parties.
 - Dock load capabilities insufficient for boatyard requirement.
 - Maintenance building moves farther from slips, creating inefficiency
 - WSF have to replace displaced structures (weld shop, slip) all increase project cost and new square footage requirements.
 - Ms. Parriott confirms for Mr. Snow that some cost analysis was done for parking at this stage, but the focus was on the overall plan.
- 4th Iteration (February 2005)
 - Three concepts
 - All moved MOA back to west side and keep maintenance building close to slips to maintain efficiency.
 - Exterior storage is also reduced in order to accommodate a more viable MOA.
 - Provided additional space for MOA
 - MOA given more of a workable area and less space dedicated to travel ways.

- Travel ways are shared
- Buildings located closer to the work
- Added connector to trail.
 1. Renovate existing maintenance building and blue building and propose 2-story store room.
 2. Replace everything
 - This is deemed a logistics nightmare to maintain ongoing maintaining operations during construction.
 3. Remodel existing maintenance building, lay down area 15Ksf, propose 2-story store room.
 - Store room is still not quite adequate, which is tricking because MOA land has to be considered “surplus”.
 - This concept becomes Preferred Alternative

- Sizing for all concepts

Concept Iteration	Maintenance Building	Store Room	Parking	Lay Down Area
1	50K sf	55K sf	140 spaces <i>Approx. 1.5-2 acres</i>	15K sf
2	50K sf	55K sf	140 spaces <i>Approx. 1 acre</i>	Varied <i>Approx. 1-2 acres</i>
3	50K sf*	55K sf	140 spaces <i>Approx. 1 acre</i>	15K sf
4	50K sf	55K sf	140 spaces <i>Approx. 1 acre</i>	15K sf

* New weld shop area not included.

MODIFICATIONS CONSIDERED OR MODIFIED BASED ON COMMENTS BY PUBLIC (DESIGN ROUNDTABLE) AND COBI

- Maintain multimodal connections in area and connection to town by connecting the trail
- Replace 6' barbed wire fence along trail
- Modify Trask Pier lighting
- Agreed to aquatic conservancy
- Aesthetics of maintenance yard
 - Offensive to some, loved by others
 - Originally looked at 10' exterior wall but received comments that it looked like the Berlin Wall. WSF is now looking at modified wall designs with the Design Roundtable.

- Gate at end of screening wall
 - More landscaping
 - Capture rich maritime history of site
 - Signage along trail with historical pictures and descriptive text
 - Investigating “design with intent” concept with Design Roundtable members (Charles Schmid and Will Lamanek) using old anchors as signage.
- We were about to go out for public comment when process was suspended pending result of these talks.

COBI QUESTIONS AND FEEDBACK

- Mr. Tooloee says he only found out about the project at the Iteration 2 stage in December 2004. He asks which iteration was shown to and approved by the legislature.
 - Mr. Anderson explains that the budget process is done before the design phase, with the elements described in text. Mr. East adds that WSF received funding through a narrative description of preservation.
- Mr. Tooloee asks WSF to confirm or clarify that the \$16M approved in this biennium is not tied to a concept, but tied to elements.
 - Mr. Anderson reads the legislative approval for the Eagle Harbor Maintenance Facility project:

“This project ensures the Eagle Harbor Maintenance Facility will be in sound and efficient operating condition. This project reconstructs the facility at its existing site, including preservation work supporting ongoing passenger-only operations. The Legislature’s Joint Task Force On Ferries found that Eagle Harbor is a key element in WSF’s maintenance program and that the existing facility is aging and needs additional investment. The JLARC performance audit found the facility to be antiquated and poorly laid out. This project replaces or renovates the timber/concrete trestle, the large building trestle, the Trask Pier, Slip E bridge structures and wingwalls, the main maintenance building and the blue, shore crew and storage buildings, the weld shop, pavement and utilities. It provides part of the funding to acquire property owned by the Winslow Marine Association. Finally, it continues EPA Superfund activities and environmental monitoring.”
- Mayor Kordonowy asks for the distinction between preservation and expansion.
 - Mr. Anderson explains the funding was granted to correct inefficiencies, which can include expansion if expansion solves an inefficiency problem.
- Mr. Snow asks if the same distinction is true for “rebuilding” the facility.
 - Mr. Anderson says we looked at whether to remodel the interior, tear down and move, or tear down and rebuild in same spot. All options are still classified as preservation because there is no difference in function.

- Mr. Anderson notes that WSF does communicate with the legislature each step of the way.

ACTION: WSF is to provide COBI with a copy of the legislative approval text.

SCHEDULES & FUNDING

- Phase 2: Fish Window / In-water work
 - Ms. Parriott explains all construction is scheduled around the fish window to minimize impacts to fish. This is part of WSF environmental mitigation. All in-water work must be done by February 15 of every year.
 - Phase 2 includes a lot of in-water work, so in order to stay on schedule, WSF will need a Shoreline Exemption letter by June 14, 2006.
 - Other Phase 2 work includes lighting on Trask Pier. There are 42 lights there that were partly extinguished due to neighbor complaints, but now the area is not as safe for employees.
- Construction of Phase 5 is the only thing not funded.
- Funding is appropriated on a biennial basis.
 - No funding is actually appropriated beyond two years, but an entire project is programmed for the legislature. The legislature reviews the program and provides strong commitments that the entire project will be funded, by including projects in 10 and 16-year capital project lists, which cover several biennia.
 - Vessel construction provides a good example of this “strong commitment”, since WSF cannot construct an entire boat in one biennium – they would not plan to construct half a boat without feeling certain they could build the other half, nor would the legislature want to fund only half a boat.
 - The legislature directed WSF to move forward with the Eagle Harbor project by including approval for the project in a legislative “proviso”.

COBI QUESTIONS & FEEDBACK

- Mr. Tooloe asks WSF to clarify some funding questions he has after Mr. East provided him with some numbers after the last meeting.
 - Amount appropriated in the current biennium is \$14.6M. Phase 1 totals \$8.5M and the dock repairs in Phase 2 equal \$2M. What is the leftover \$4.5M for?
 - Mr. East advises the numbers he gave may not be complete.
 - Ms. Parriott explains \$2M is for ROW (already spent on the Winslow Marine property), and \$2M is for design of Phases 2, 3, and 4 (Phase 1 design was completed).
- Mr. Tooloe notes \$20.9M total on the timeline, \$18.2M of which is the cost of Phase 4. What is the \$2.7M for?
 - Ms. Parriott answers it is for wrapping up construction of Phase 3.
- Mayor Kordonowy asks for clarification of the schedule and need of the Shoreline Exemption letter.

- Ms. Parriott confirms WSF needs the letter by June 14, 2006 in order to begin project 2. The letter needs to go to the Corp of Engineers, then to the Department of Ecology.
- Ms. Parriott explains each project has its own independent utility. The DNS is only for Project 2 (Construction Phases 2 & 4).
 - The only difference in appearance to the community after project 2 is complete will be Trask pier lighting, foundation changes (if you look under dock) and addition of two cargo doors to building exterior.
- Mr. Tooloe notes differences in how Ms. Parriott explained need for Shoreline Exemption letter.
 - First, *Phase 2* was stated, which Mr. Tooloe considers a “no brainer”.
 - Later, *Project 2* was stated, which Mr. Tooloe considers as “no way”.
 - Ms. Parriott confirms the letter is needed to start Project 2 (Construction Phases 2 & 4). Mr. Anderson adds we see all of Project 2 as preservation.
- Mr. Anderson is struggling with the difficulty COBI has with construction of Phase 4, especially now that WSF has shown how we looked at other options that lead us to current design.
 - Mr. Tooloe says what WSF has shown today has reinforced his hunches:
 - WSF looked at a set of options that were a variation on the same theme
 - WSF looked at a certain range of options, but didn’t consider a wide range of options
 - COBI and WSF should look at options together
 - Speaking for himself, not the City, Mr. Tooloe feels there are many creative approaches to be considered, including:
 - Look at concepts beyond these 7-8 acres, pretend the MOA doesn’t exist and assume COBI/Kitsap County own the neighboring property.
 - Underground parking with business opportunities located above.
 - Storage with height variance
 - Mr. Brodeur says he understands Mr. Tooloe’s point, but numerous studies have shown the maintenance building has to be near the dock for maximum efficiency. He allows there could be some creativity with the store room and parking, but Project 2 has to remain the same.
 - Ms. Vancil confirms she too has concerns for moving past Phase 2 and also notes part of Phase 4 work lays the foundation for an expanded annex. She wants the opportunity to work together to integrate creative options. Therefore, she has concerns for expansion and anything that supports that expansion.
 - Ms. Parriott clarifies that Phase 4’s seismic upgrades have no connection to the annex and include no physical changes or expansion. The seismic upgrades are strictly to support the building. There is no physical tie between physical construction phases 3 & 4.
 - Mr. Snow defines the term “facts on the ground”, where changes to the situation on the ground cause a change of facts.

- Putting \$9M - \$14M into a building causes a new fact on the ground by compounding the investment for WSF.
- COBI's priority is the aesthetics of the facility and ensuring it fits in the community. Mr. Snow emphasizes this is a real, political issue.
- Mr. Anderson counters with WSF's need for a maintenance building near the piers. He does not see a problem with Phase 4 unless COBI thinks it's possible to move the building.
- Mr. Snow says that is both a perceived and real difference.
- Mr. Tooloe explains Phase 4 is significant because WSF is saying Phase 4 as it now exists (building stays where it is) is the only way WSF can fulfill its mission, but WSF just proved there are other alternatives by Ms. Parriott's presentation. Keeping the building where it is makes it harder to negotiate other elements and prevents views of the water from Waterfront Park. Mr. Tooloe acknowledges WSF's efficiency studies, but thinks the needs of the Bainbridge Island community are just as important.
 - Mr. Anderson maintains WSF need to maintain efficiency on WSF property, noting the Eagle Harbor condominiums block water views as well.
 - He also notes WSF considered other items when choosing an alternative like MOA, property, and deep water.
- Mayor Kordonowy asks when the blue building comes down.
 - Ms. Parriott says eventually, but that part of Phase 5 is unfunded so she can't say specific timing.
- Mayor Kordonowy asks for clarification of Phase 3/Project 3.
 - Ms. Parriott says Phase 3 gives WSF flexibility for minimizing temporary construction impacts to operations. However, WSF is considering several options for this purpose; this is just one of them.
 - Ms. Parriott also notes upland work is done in Phase 3. This means 2008 is the earliest for boat build-out (Phase 3 is scheduled to begin in 2007 and finish in 2008). However, future construction needs also need to be considered for construction Phase 5.

MOVING FORWARD

- Mr. Anderson states we can study forever, but we need to move forward.
- Mayor Kordonowy notes there is more than one approach to an agreement.
 1. Address specifics for Phases 3 & 5
 2. If Phase 4 differences cannot be resolved, there is a legal process
 - If COBI prevails as lead agency, we'll need to address the Phase 4 issue then. Mayor Kordonowy asks if we should start to address this plan now.
 - Mr. East asks how far COBI is willing to fund lead agency status, noting WSF projects where Feds are lead and their funding of the

environmental process. He notes, leaving the maintenance building out of the equation, approximately 80% of the property is left for joint planning and integration. But if COBI does prevail as lead agency, Washington State will certainly appeal to the Supreme Court.

- Mayor Kordonowy asks if WSF is saying COBI won't ever be considered a co-lead on other WSF projects.
 - Mr. Anderson says COBI would more accurately be described as a cooperating agency.
- Mayor Kordonowy says she understands WSF is equating co-lead with funding but reminds the group that those kinds of decisions cannot be made here.
- Mayor Kordonowy feels COBI is hearing WSF, but thinks WSF is not hearing COBI or addressing COBI needs, stated again as:
 - Safety
 - Integration with Ferry District
 - Integration with Harbor
 - Integration with Winslow
 - Environmental issues (pollution, noise, etc.)
 - Economic opportunities
 - Use of our harbor and compatibility and conflicts
- Mayor Kordonowy reiterates her colleagues' concerns that Phases 2 & 4 will preclude creative ways to address both parties' concerns.
- Mr. Snow says the image of the storage facility is problematic and would like to see this element taken off the master plan and put on a list for collaboration.
 - Mr. Anderson notes the irony this since COBI's original complaint was that WSF was "piece-mealing" the project, and now WSF is being asked to do just that.
 - Mayor Kordonowy acknowledges the irony, but explains COBI must plan for growth now and she needs to go to the community and say this committee was able to influence WSF to begin planning with COBI. This would be a significant shift in perception and taking the storage room – and parking and lay down area too - off the master plan would be a visible sign to the community.
 - Mr. Tooloe agrees with Mr. Snow and Mayor Kordonowy, encouraging WSF to work at a policy level.
- Mr. Tooloe reminds WSF that at the last meeting, COBI stated they want to go through the planning process for all WSF property/projects, proposing WSF proceed with Phase 2, but roll Phases 3, 4, and 5 together for joint planning. This is what was reported to Council last Wednesday. Now, he hears WSF saying Phase 4 is not negotiable and must go forward. If that is true, this committee must report that to Council.
 - Mr. Snow explains that COBI would like to move forward ASAP with repairs to dock and other Phase 2 work, but rebuilding and upgrades to the

maintenance building costs a lot of money for temporary structures and gives the appearance of a lot of activity. He proposes doing the minimum for the time being, which will allow WSF a stronger position with Council and the community.

- Mr. Anderson counters with the schedule impacts to the vessels and costs. He feels the committee is at an impasse if Phase 4 cannot move forward.
- Mayor Kordonowy points out that Mr. East brought up the cost of pursuing a legal channel, noting the same costs and schedule impacts will appear with an appeal, so why not work with COBI, and possibly save money.
 - Mr. Anderson explains lead agency status has broader implications for the State that they will need to pursue.
- Mr. Anderson says he still can't understand COBI's objection to Phase 4.
 - Mayor Kordonowy says it's not necessary to get it, but WSF will have to accept it. She offers one possibility: What if WSF defers Phases 3, 4, and 5 but goes forward with Phase 2 and COBI rescinds their lead agency status for Phase 2.
 - Mr. Anderson's first impression is that proposal doesn't get WSF far enough and wonders what the agreement would say. He starts to list some of WSF's thoughts for including in an agreement:
 - COBI must acknowledge publicly that WSF is lead
 - Phase 3 is joint planning
 - Development plans for boatyard
 - Offer COBI seat on WSF-convened community groups
 - Equal participation in Ferry District
 - WSF will provide all the briefings COBI needs
 - Mr. Anderson suggests each party develops a list of items to include in an agreement and share with each other by noon, Tuesday, June 6.
 - Mr. Snow asks WSF to seriously consider delaying Phase 4. Mr. Anderson agrees he will.
 - Ms. Parriott asks if COBI is willing to look at McNabb property for MOA?
 - Mr. Snow notes it is near superfund site and Mayor Kordonowy notes it is near Japanese Park, but it could be considered in the mix.
 - Ms. Vancil restates that the master plan is perceived as a concern and is difficult to accept as is. She asks WSF to consider what COBI's obligation is and what is essential to WSF being on Bainbridge Island. She feels the issue is siting.
 - Ms. Schorr says what she hears is COBI is really concerned about how much money WSF is investing in the maintenance building.
 - Mr. Tooloee says the concern is the site of the terminal building on the existing location.

NEXT STEPS & ACTION ITEMS

- List of items for agreement due Tuesday, 6/6/06 at noon.
 - WSF understands that COBI's list will not be approved by Council
- WSF is to provide COBI with a copy of the legislative approval text.
- Next meeting is Friday, 6/9/06 at COBI.

CLOSINGS

- Mayor Kordonowy thanks everyone for their participations and appreciates WSF considering COBI's proposals, understanding this is an uncomfortable process.
- Mr. Anderson thanks everyone for their time and says he still sees tremendous opportunity for partnership.